

Part 1: Assessing Beneficiary Needs...

Medicare beneficiaries won't have specific information on plan choices until plan marketing begins in October. However, beneficiaries should begin assessing their needs now to determine what type of prescription drug coverage they will need beginning January 1, 2006. In order to assist beneficiaries in assessing their Medicare drug needs, pharmacists and caregivers should plan to ask beneficiaries a series of questions to generate information about the beneficiaries' individual situation in order to narrow the coverage options that might be best for the beneficiary. Next week we will discuss questions that address beneficiaries' specific individual needs. But first, you should begin thinking about questions that will help you screen the beneficiary by category.

... start by asking the right preliminary questions:

1. Are you eligible for Medicare? This may sound like a basic question, and for most current Medicare beneficiaries it probably is. However, an affirmative answer to this simple question will allow the pharmacist to tell the patient: **if you are eligible for Medicare, you are eligible for the new prescription drug benefit, regardless of financial status or prior medical conditions.** Every Medicare beneficiary should know that, unless they have prescription drug coverage that is at least as good as standard Medicare prescription drug coverage, they should sign up for the new benefit. Remember, even if the beneficiary is relatively healthy and has low drug spending today, that may not be the case tomorrow. This is an insurance benefit and it may cost more later if the beneficiary does not sign up during the enrollment period.

2. Are you eligible for extra help? If a beneficiary is currently receiving Medicaid benefits they will be auto-enrolled unless they select a plan, so they don't have to do anything to begin their drug coverage. If the beneficiary is not receiving Medicaid, but their income is below 150% of the federal poverty level and they meet certain asset tests, they may be eligible for a very generous subsidy that may include payment of premiums, deductibles and minimal copays (See: <http://www.socialsecurity.gov/pubs/10129.pdf>). Over 14 million Medicare beneficiaries, or more than one third of all Medicare beneficiaries, will be eligible for some level of extra help, so this is a very important question to ask in order to save the beneficiary real money. In order to receive the subsidy, a non-Medicaid beneficiary will need to apply with the Social Security Administration (SSA) and be approved. Applications are being accepted by SSA and states right now (See: <https://s044a90.ssa.gov/apps6a/i1020/main.html>). Remember to tell beneficiaries if there is any chance they qualify, "when in doubt, fill it out!"

3. Do you currently have prescription drug coverage through a former employer, union or retiree plan? If a beneficiary currently has coverage that is, on average, at least as good as standard Medicare prescription drug coverage, they will likely want to keep that coverage. Employers will send out notices indicating whether or not their coverage meets that threshold. Moreover, if they have such coverage and they do select another plan, they could lose this coverage. Therefore, we want to make sure that these 11 million beneficiaries understand that staying where they are and making no selection may be the best option for them.

4. Are you currently enrolled in the Medicare Advantage (MA) Program? If a beneficiary is enrolled in Medicare Advantage, a plan that provides a full comprehensive suite of medical benefits under Medicare, they may currently have some prescription drug coverage. This coverage will be upgraded to the equivalent of the Medicare standard drug benefit and in many cases, this coverage may exceed the standard benefit for a very low premium. So if a beneficiary is currently pleased with the full range of coverage they are receiving through the MA program, their best option may be to remain in that Plan or consider another MA-PD plan. Currently, there are about 6 million people in this situation and, due to the generosity of the benefit offerings, we

expect this number to continue to grow.

After a few simple questions, you should have a pretty good snapshot of the beneficiary's drug coverage status. If they are in one of these categories, their decisions may be pretty straight forward. That leaves the rest of the Medicare beneficiaries... some 11 million people or so who do not have adequate prescription drug coverage... who should be encouraged to select a Medicare Prescription Drug Plan.

Next week... Part 2: What type of coverage will satisfy the individual beneficiary needs?

Next week we will focus on a set of questions designed to match specific individual beneficiary needs with plan characteristics tailored to meet those needs. We will be providing more detailed written information on this Q&A process in the coming weeks and we are designing our web-based decision support tools to follow the same logic. Using this type of "decision tree" is useful for guiding a beneficiary's decision pathways. It also demystifies the plan selection process and should demonstrate that finding a plan to meet specific needs does not have to be complicated.

Please join us on Tuesday... for a preview of our Web-tool

Webcast entitled **"Your First Look at Finding a Medicare Prescription Drug Plan on the Web"**

You are invited to view and participate in a CMS-sponsored webcast on Tuesday August 2, 2005 at 1:00 PM Eastern Time. The webcast will provide a preview of the navigation and information to be provided through the Medicare Prescription Drug Plan Finder tool when it is launched in October 2005. The Medicare Prescription Drug Plan Finder will provide people with Medicare the information they need to join a Prescription Drug Plan that meets their needs. The purpose of the web cast is to get feedback from the various stakeholder groups interested in the implementation of Medicare prescription drug coverage.

The webcast details are as follows:

Date: Tuesday, August 2, 2005

Title: "Your First Look at Finding a Medicare Prescription Drug Plan on the Web"

Time: 1:00 PM EST

URL: <http://videocast.nih.gov/>

To participate in the webcast log on to the URL above, hosted by National Institutes of Health (NIH), about 5-10 minutes before 1:00 PM on August 2nd. Once at the site, select the link titled **"Your First Look at Finding a Medicare Prescription Drug Plan on the Web"** that will be available under "Today's Events."

Participants of this webcast are encouraged to submit questions or suggestions by phone, fax or e-mail during the webcast.

We hope you will be able to join us as we demonstrate the prototype of the Medicare Prescription Drug Plan Finder.